

The Small Business Jobs Act

HELPING GET AMERICANS BACK TO WORK

Small businesses are the backbone of America's economy and the principle engine of job creation. In fact, over the past 15 years, small businesses have created two-thirds of all new jobs. However, small businesses have been hit hard by the recession – losing more than six million jobs since December, 2007. The Small Business Jobs Act helps create the right economic conditions for small businesses to create as many as 500,000 new jobs. At a time when the credit crunch has starved America's 27 million small businesses from accessing the capital they need to expand and hire, the fully-paid for Small Business Jobs Act will provide small businesses access to capital, robust incentives for investment, and support for innovation and entrepreneurship. When we help small businesses, we help to get Americans back to work.

The Small Business Jobs Act:

- Gives small businesses **\$12 billion in tax cuts**
- Helps small businesses create **500,000 new jobs**
- Incentivizes and **increases small business lending**
- **Helps small business owners access private capital** to finance an expansion and hire new workers
- **Rewards entrepreneurs** for investing in new small businesses
- **Helps Main Street** businesses compete with large corporations

Helps Small Businesses Access Capital

- Incentivizes investors by giving 100% exclusion from capital gains taxes on small business investments.
- Creates a targeted \$30 billion Small Business Lending Fund to provide small community banks with capital to increase small business lending.
- Gives \$1.5 billion in grants to support \$15 billion in new small business lending through already successful state programs.
- Reduces the tax burden for small businesses by allowing them to carry back general business tax credits to offset their tax burdens from the previous five years. Small businesses will also be able to count the general business credits against the Alternative Minimum Tax (AMT), freeing up capital for expansion and job growth.
- Increases Small Business Administration (SBA) loan limits and improves access and lowers costs for small business to access SBA loans.

Increases Small Businesses' Ability to Make Investments

- Increases Section 179 expensing – permitting up to \$500,000 in capital investments that businesses can expense.
- Extends Bonus Depreciation – allowing taxpayers to immediately write off 50 percent of the cost of new equipment.

Promotes Entrepreneurship

- Increases to \$10,000 the tax deduction for start-up expenditures – doubling the current levels.
- Creates new tools to help small businesses export goods, which will leverage more than \$1 billion in exports.
- Establishes a new State Export Promotion Grant Program (STEP), which would increase the number of small businesses that export goods to other countries.

Promotes Fairness in Competition

- Improves tax fairness by preventing small businesses from incurring large tax penalties aimed at large corporations and wealthy individuals investing in tax shelters.
- Improves small business contracting by clarifying that no single contracting program receives priority over another program when competing for federal contracts.
- Allows self-employed individuals to deduct health insurance costs for purposes of paying the self-employment tax.

A detailed summary of provisions included in the Small Business Jobs Act can be found on the Finance Committee website at: <http://finance.senate.gov/legislation/details/?id=da799068-5056-a032-5229-92cebbd2b7a0>.